

THE BLACKPOOL FOOTBALL CLUB LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1999

A I Cherry
Chartered Accountants
and Registered Auditors
Moor Park House
71 Garstang Road
Preston
PR1 1LB





THE BLACKPOOL FOOTBALL CLUB LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 1999

CONTENTS	PAGE
Directors and Advisers	1
Directors' Report	2 - 3
Statement of Directors' Responsibilities	4
Auditors' Report	5
Profit and Loss Account	6
Statement of Total Recognised Gains and Losses	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Accounts	10 - 20
Detailed Trading and Profit and Loss Account	Appendix 1



THE BLACKPOOL FOOTBALL CLUB LIMITED

DIRECTORS AND ADVISERS

Directors	K S Oyston, Chairman	(appointed 24 August 1998)
	V Oyston	
	O J Oyston	
	G Bridge, Managing Director	(resigned 1 April 1999)
	K Chadwick, Deputy Chairman	
	G Warburton	
	D Hatton	(resigned 6 April 1999)
	M Joyce	(resigned 4 August 1999)
	C B Muir, OBE	
Secretary	C Banks	
Registered Office	Blackpool Football Club Bloomfield Road Blackpool FY1 6JJ	
Registered Number	48409	
Auditors	A I Cherry Chartered Accountants and Registered Auditors Moor Park House 71 Garstang Road Preston PR1 1LB	
Bankers	National Westminster Bank plc Lytham Road South Shore Blackpool FY4 1DY	

THE BLACKPOOL FOOTBALL CLUB LIMITED

**NOTICE AND AGENDA
(SECTION 366 COMPANIES ACT 1985)**

NOTICE IS HEREBY GIVEN of the Extraordinary General Meeting of the Company to be held at p.m. on day,, 1999 at the Tangerine Club, Bloomfield Road, Blackpool for the purposes of considering, and if thought fit, passing resolutions as to the ordinary business of the Company.

Ordinary Business

1. To receive, consider and if thought fit, adopt the Directors Report and Audited Accounts for the Year Ended 31 May 1999.
2. Election of Directors.
3. Re-election of Auditors. To re-appoint as auditors, Messrs A I Cherry, Chartered Accountants, Preston for the following year and to authorise the Directors to fix their remuneration.

Other Business

1. To propose the issue of up to 400,000 ordinary £1.00 shares, for a consideration of £15.00 per share, to O J Oyston to reduce the group's indebtedness.
2. To propose an amendment to the Memorandum and Articles of Association, deleting the minimum and maximum number of Directors on the Board.

BY ORDER OF THE BOARD OF DIRECTORS

C Banks
Company Secretary

Registered Office : Bloomfield Road, Blackpool, FY1 6SS

Date:

NOTE:

1. Any member of the Company entitled to attend, speak and vote at the above-mentioned meeting may appoint a proxy to attend, speak and, on a poll vote instead of that member. A proxy may demand or join in demanding a poll. A proxy need not be a member of the Company.
2. A copy of the balance sheet and every document required by law to annex to it, which are to be laid before the above-mentioned meeting, are enclosed. The statutory registers are available for inspection during the normal business hours without charge at the registered office of the Company.

THE BLACKPOOL FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MAY 1999

Principal Activity

The Company's principal activity is that of a professional football club which has continued throughout the year.

Future Developments in the Business

The directors will continue to take whatever steps are necessary to continue the development of the business.

Results and Dividends

The trading loss for the year after taxation amounted to £749,349 (1998: £262,295). The directors do not recommend the payment of a dividend. At the balance sheet date the company had net liabilities of £4,337,101.

Fixed Assets

Changes in the fixed assets of the Company are detailed in note 9 to the accounts.

Holding Company

The Company is a subsidiary of The Blackpool Football Club (Properties) Limited, a company incorporated in England and Wales, which held 95.3% (1998: 95.3%) of the issued share capital of the Company at 31 May 1999.

Directors and their Interests

None of the directors held any shares in The Blackpool Football Club Limited.

The directors who served throughout the year and their interests in the holding company were as follows:

	Ordinary Shares of £1 each 1999 £	Ordinary Shares of £1 each 1998 £
K S Oyston (appointed 24 August 1998)	25	-
O J Oyston	1328200	1328225
V Oyston	1955	1980
G Warburton	25	25
D Hatton (resigned 6 April 1999)	20	20
Mrs G Bridge (resigned 1 April 1999)	25	25
M Joyce (resigned 4 August 1999)	3	3
K Chadwick	217	217
C B Muir OBE	25	-
	<hr/>	<hr/>

The total issued share capital of the holding company at the year end was £1,374,124.



THE BLACKPOOL FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MAY 1999

Charitable Donations

Payments of a charitable nature made during the year amounted to nil (1998: £300).

Year 2000 Compliance and the Introduction of the Euro

The company has taken steps to ensure that both its computer hardware and software will be compatible with the Year 2000. This will involve the replacement of certain computer equipment. The estimated cost of Year 2000 compliance is £12,500. The company policy is to seek written confirmation from large suppliers by 31 October, 1999 where their computer systems are integrated into the operations of the company. If the company has not received the required assurance by this date it will take steps to find alternative suppliers.

The company policy is to continue to invoice in sterling for the foreseeable future. It has no material business with overseas suppliers or customers.

The directors do not foresee that any further material cost will be incurred in relation to either of these matters.

Auditors

Messrs A I Cherry, Chartered Accountants have expressed their willingness to continue in office as auditors and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the members at the Annual General Meeting.

The Director's Report is prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies, and the Financial Reporting Standard for Small Entities.

By Order of the Board

C Banks
Company Secretary

Date 9 December 1999

THE BLACKPOOL FOOTBALL CLUB LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 MAY 1999

We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

By order of the board



K S Oyston

Chairman

Date 9 December 1999

THE BLACKPOOL FOOTBALL CLUB LIMITED
AUDITORS' REPORT TO THE MEMBERS OF
THE BLACKPOOL FOOTBALL CLUB LIMITED

We have audited the financial statements on pages 6 to 20 which have been prepared under the accounting policies set out on page 10 and 11.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

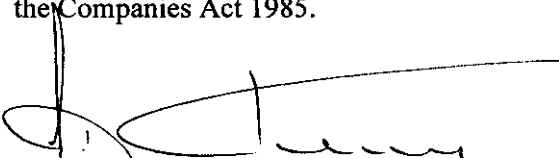
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



A I Cherry
Chartered Accountants
and Registered Auditors
Moor Park House
71 Garstang Road
Preston PR1 1LB

Date

31 January 2000

THE BLACKPOOL FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 1999

	Notes	1999 £	1998 £
TURNOVER	2	2,563,694	2,666,362
Cost of sales		(202,237)	(211,532)
		<hr/>	<hr/>
GROSS PROFIT		2,361,457	2,454,830
Administrative expenses		(3,009,061)	(3,086,183)
		<hr/>	<hr/>
OPERATING (LOSS) BEFORE PLAYERS' TRANSFER FEES	3	(647,604)	(631,353)
Players' transfer fees (net)	4	(91,985)	121,717
		<hr/>	<hr/>
Operating Loss		(739,589)	(509,636)
Interest payable and similar charges	7	(9,760)	(3,707)
		<hr/>	<hr/>
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(749,349)	(513,343)
Taxation on profit on ordinary activities	8	-	-
		<hr/>	<hr/>
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		(749,349)	(513,343)
Dividends		-	-
		<hr/>	<hr/>
RETAINED (LOSS) FOR THE YEAR		(749,349)	(513,343)
Loss brought forward		(3,687,761)	(3,174,418)
		<hr/>	<hr/>
Loss carried forward		(4,437,110)	(3,687,761)
		<hr/>	<hr/>

The notes on pages 10 to 20 form part of these accounts.

There were no acquisitions or discontinued operations during the current or preceding year.

THE BLACKPOOL FOOTBALL CLUB LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MAY 1999


	Notes	1999 £	1998 as restated £
Loss for the financial year		(749,349)	(513,343)
Prior year adjustment	5	-	251,048
		<hr/>	<hr/>
Total losses recognised since last annual report		(749,349)	(262,295)
		<hr/>	<hr/>

THE BLACKPOOL FOOTBALL CLUB LIMITED

BALANCE SHEET AS AT 31 MAY 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Intangible assets	9	151,848	509,381
Tangible assets	10	46,903	74,075
		<hr/>	<hr/>
		198,751	583,456
CURRENT ASSETS			
Stocks	11	12,269	68,296
Debtors	12	1,365,176	1,483,327
Cash at bank and in hand		18,478	1,252
		<hr/>	<hr/>
		1,395,923	1,552,875
CREDITORS:			
Amounts falling due within one year	13	(5,771,775)	(5,561,613)
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(4,375,852)	(4,008,738)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		(4,177,101)	(3,425,282)
CREDITORS:			
Amounts falling due after more than one year	14	(160,000)	(162,470)
		<hr/>	<hr/>
		(4,337,101)	(3,587,752)
CAPITAL AND RESERVES			
Called up share capital	15	30,000	30,000
Share premium account	16	67,674	67,674
Other reserves	16	2,335	2,335
Profit and loss account		(4,437,110)	(3,687,761)
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS		(4,337,101)	(3,587,752)
		<hr/>	<hr/>

Approved by the board on (Date TBA) 9 December 1999


K S Oyston, Chairman

The notes on pages 10 to 20 form part of these accounts.

THE BLACKPOOL FOOTBALL CLUB LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 1999

	Note	1999 £	1998 £
Net Cash Inflow from Operating Activities	23a	(224,989)	(327,010)
Returns on Investments and Servicing of Finance	23b	(9,760)	(3,707)
Taxation		-	-
Capital Expenditure	23c	263,203	352,647
		<hr/>	<hr/>
		28,454	21,930
Management of Liquid Resources		-	-
Financing		-	-
		<hr/>	<hr/>
Increase in Cash	23d	28,454	21,930
		<hr/>	<hr/>

See note 23 for the notes to this statement.

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Profits or losses arising on the disposal of items stated at valuation are determined by reference to the difference between the valuation and the sale proceeds.

The accounts are also prepared on the going concern basis as the parent company has confirmed that it will make available sufficient financial resources to support the ongoing activities of the company.

Depreciation

Depreciation is calculated to write off the cost or valuation of all fixed assets over their estimated useful lives as follows:-

- a) Plant and equipment - 10% on cost
- b) Motor vehicles - 25% on cost
- c) Computer Equipment - 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value.

Players' Transfer Fees

Transfer fees are capitalised at their cost and amortised over the period of the players' contracts.

Repairs and Renewals

Repairs and renewals are written off in the year in which the expenditure was incurred.

Leases and Hire Purchase Contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (continued)

Grants Receivable

Football Association and Football Trust Grants are recognised in the profit and loss account so as to match them with the expenditure towards which they are intended to contribute. To the extent that grants are made as a contribution towards fixed asset expenditure the grants are recognised over the expected useful economic life of the related assets.

Deferred Taxation

Deferred taxation is provided in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 TURNOVER

Turnover is the amount derived from ordinary activities stated net of value added tax, excluding transfer fees and is generated wholly within the United Kingdom.

3 OPERATING LOSS

Operating loss is stated after
(charging) or crediting:-

	1999 £	1998 £
Auditors remuneration	(5,650)	(5,650)
Depreciation - owned assets	(28,304)	(28,461)
Depreciation - leased assets	(1,213)	(6,425)
Operating leases - plant and machinery	(27,590)	(17,503)
Operating leases - land and building	(20,704)	(9,128)
Donations from Development Association	715,000	672,714
Grants receivable	111,000	69,444
	<hr/>	<hr/>

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

4 **PLAYERS' TRANSFER FEES**

The charge/(credit) for players' transfer fees comprises

	1999 £	1998 £
Amortisation of transfer fees	209,723	485,405
Profit on disposal of players' contracts	(117,738)	(607,122)
	<hr/> 91,985	<hr/> (121,717)

5 **PRIOR YEAR ADJUSTMENT**

The prior year adjustment relates to the change in accounting policy for the treatment of players' transfer fees. Previously players' transfer fees were included in the profit and loss account for the year at the full amount payable or receivable. The change in accounting policy is as a result of the introduction of Financial Reporting Standard No 10, Goodwill and Intangible Assets. The transfer fees should be capitalised and amortised over the period of the players' contracts to show a true and fair view.

The profit and loss reserve at 1 June, 1997 is credited by £760,429, being the net book value of the players at that date.

The profit and loss account for the year ended 31 May, 1999 shows losses of £391,816 greater than under the previous accounting policy (1998: losses increase by £251,048).

6 **DIRECTORS AND EMPLOYEES**

The average weekly number of employees during the year was made up as follows:

	1999	1998
Footballers, coaches and managers	64	56
Other Staff	57	63
	<hr/> 121	<hr/> 119

Staff Costs including Directors Emoluments:

	£	£
Wages, Salaries etc.	2,022,826	1,933,162
Social Security costs	179,321	158,075
Pension costs	1,155	4,107
	<hr/> 2,203,302	<hr/> 2,095,344
Directors' Emoluments:		
Remuneration	98,523	122,196
Compensation for loss of office	50,000	-
Pension	-	-
	<hr/> 148,523	<hr/> 122,196

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

Pension Costs

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,155 (1998: £4,107).

7 INTEREST PAYABLE AND SIMILAR CHARGES

	1999	1998
	£	£
Bank interest	924	1,344
Hire purchase interest	806	1,089
Other interest paid	8,030	1,274
	<hr/>	<hr/>
	9,760	3,707
	<hr/>	<hr/>

8 TAXATION

Corporation tax has not been provided (1998: £nil) due to the losses incurred during previous years. At the year end the directors estimate that corporation tax losses in excess of £7,000,000 were available for offset against future profits.

Deferred taxation has not been provided because, in the opinion of the directors, any timing differences arising between the book value of fixed assets and their written down value will be covered by trading losses of the group.

9 INTANGIBLE FIXED ASSETS

	£
	Players Contracts
Cost	
At 1 June 1998	1,519,500
Additions	36,000
Disposals	(1,079,500)
	<hr/>
At 31 May 1999	476,000
	<hr/>
Amortisation	
At 1 June 1998	1,010,119
Charge for year	209,723
Disposals	(895,690)
	<hr/>
At 31 May 1999	324,152
	<hr/>
Net Book Value	
At 31 May 1999	151,848
	<hr/>
At 31 May 1998	509,381
	<hr/>

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

10 TANGIBLE FIXED ASSETS

	Computer Equipment £	Plant and Equipment £	Motor Vehicles £	Total £
Cost				
At 1 June 1998	71,358	167,948	19,503	258,809
Additions	2,025	320	-	2,345
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 1999	73,383	168,268	19,503	261,154
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 June 1998	43,570	122,474	18,690	184,734
Charge for year	21,141	7,563	813	29,517
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 1999	64,711	130,037	19,503	214,251
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31 May 1999	8,672	38,231	-	46,903
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 June 1998	27,758	45,474	813	74,075
	<hr/>	<hr/>	<hr/>	<hr/>

The net book amount of fixed assets includes £2,466 (1998: £3,263) in respect of assets held under finance leases and hire purchase contracts. Depreciation of £1,213 (1998: £6,425) was charged on these assets during the year.

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

11 STOCKS

	1999 £	1998 £
Finished goods and goods for resale	12,269	68,296
	<hr/>	<hr/>
	12,269	68,296
	<hr/>	<hr/>

12 DEBTORS

	1999 £	1998 £
Trade debtors	256,238	454,745
Amounts owed by group undertakings	1,061,772	964,669
Other debtors	2,676	23,860
Prepayments and accrued income	44,490	40,053
	<hr/>	<hr/>
	1,365,176	1,483,327
	<hr/>	<hr/>

The amounts owed by group undertakings include £17,232 owed by George Turner (Blackpool) Limited (1998: £18,649) and £1,044,540 owed by The Blackpool Football Club (Properties) Limited (1998: £946,020).

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Unsecured loans	5,006,849	3,834,028
Bank overdraft	-	11,228
Obligations under hire purchase contracts	2,398	4,438
Trade creditors	193,639	1,162,364
Other creditors including taxes and social security	374,439	326,696
Accruals and deferred income	194,450	222,859
	<hr/>	<hr/>
	5,771,775	5,561,613
	<hr/>	<hr/>

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

Unsecured loans includes the following amounts owed to Mr O J Oyston, a director and majority shareholder of the holding company, as described in note 21, and to companies owned or controlled by him, and amounts owed to Mr C B Muir, a director of the company:

	1999 £	1998 £
Mr O J Oyston	1,703,200	1,292,682
Zabaxe Limited	3,284,150	2,511,847
Mr C B Muir	5,000	5,000

All loans are free of interest, unsecured and repayable on demand. The maximum outstanding balances during the year were the amounts stated above at 31 May 1999.

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999 £	1998 £
Secured Loan - Blackpool Borough Council	160,000	160,000
Obligations under hire purchase contracts	-	2,470
	<hr/>	<hr/>
	160,000	162,470
	<hr/>	<hr/>

The loan from Blackpool Borough Council is for a period of 10 years, repayable 2 July 2000. It is secured by way of a legal charge over the group's freehold and leasehold properties, book and other debts and by way of a floating charge over the assets and undertakings of the group. Interest is chargeable at 3% above base rate on the outstanding amount except for the first £80,000 which is interest free. No interest is charged by Blackpool Borough Council where the group's bank balance and cash are less than £80,000.

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR
(continued)

Obligations under Hire Purchase Contracts

	Hire Purchase Contracts	
	1999	1998
	£	£
Year ending 31 May 1999	2,770	5,527
and after that date but less than 5 years	-	2,560
	<hr/>	<hr/>
	2,770	8,087
Less: Finance charges allocated to future periods	(372)	(1,179)
	<hr/>	<hr/>
	2,398	6,908
	<hr/>	<hr/>
Hire Purchase Contracts shown as		
Current Obligations	2,398	4,438
Non-current Obligations	-	2,470
	<hr/>	<hr/>
	2,398	6,908
	<hr/>	<hr/>

15 SHARE CAPITAL

	Authorised		Allotted Called Up and Fully Paid	
	1999	1998	1999	1998
	£	£	£	£
Ordinary shares of £1 each	30,000	30,000	30,000	30,000
	<hr/>	<hr/>	<hr/>	<hr/>

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

16 RECONCILIATION OF MOVEMENTS IN OTHER CAPITAL RESERVES

	Share Premium Account £	Capital Reserve £
Opening Balance	67,674	2,335
Movement in year	-	-
	<hr/>	<hr/>
Closing balance	67,674	2,335
	<hr/>	<hr/>

17 CAPITAL COMMITMENTS

There were no capital commitments at 31 May 1999 for which provision has not been made in these accounts.

18 OTHER COMMITMENTS

The company has commitments under operating leases for plant and machinery as set out below:

	1999 £	1998 £
Operating leases which expire within one year	5,325	-
In the 2nd to 5th years inclusive	8,156	17,503
	<hr/>	<hr/>
	13,481	17,503
	<hr/>	<hr/>

The company has provided an unlimited cross guarantee, dated 23 September 1986 in favour of The Blackpool Football Club (Properties) Limited to the company's bankers.

19 CONTINGENT LIABILITIES

A former director of the company has initiated legal action claiming the company owes him fees relating to development work carried out. The total claim amounts to £2,002,000. The directors have received legal advice that the claim has no possibility of success and will strenuously defend the claim. The financial statements do not include any provision relating to this claim.

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	Notes	1999 £	1998 as restated £
(Loss)/Profit for the financial year		(749,349)	(513,343)
Prior year adjustment	5	-	251,048
<hr/>			
Net (subtraction from)/addition to shareholders funds		(749,349)	(262,295)
Opening shareholders funds as previously stated		(3,587,752)	(3,834,838)
Prior year adjustment		-	509,381
<hr/>			
Closing shareholders funds		(4,337,101)	(3,587,752)
<hr/>			

21. ULTIMATE CONTROLLING PARTY

The Company is a subsidiary of The Blackpool Football Club (Properties) Limited, a company incorporated in England and Wales, which held 95.3% (1998: 95.3%) of the issued share capital of the Company at 31 May 1999. The Blackpool Football Club (Properties) Limited is controlled by the director, Mr O J Oyston.

22. RELATED PARTY DISCLOSURES

		1999 £	1998 £
Management Charges			
	Zabaxe Limited	21,000	36,000
	Denwis Limited	20,000	-
Rent Charges			
	Mr O J Oyston	4,900	8,400
	Denwis Limited	15,804	728

The director and majority shareholder Mr O J Oyston is also a director and majority shareholder of Zabaxe Limited, Denwis Limited and Oyston Publications plc. Included in Trade Creditors in Note 13 is £16,208 owed to Denwis Limited.

THE BLACKPOOL FOOTBALL CLUB LIMITED

NOTES TO THE ACCOUNTS

23. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of operating profit to net cash inflow from operating activities:

	1999 £	1998 £
Operating Loss	(739,589)	(509,636)
Accounting for players' transfer fees	91,985	(121,717)
Depreciation charges	29,517	34,886
Decrease/(increase) in stocks	56,027	(32,965)
Decrease/(increase) in debtors	118,151	(556,478)
Increase/(decrease) in creditors	218,920	858,900
	<hr/>	<hr/>
Net Cash (outflow) from Operating Activities	(224,989)	(327,010)
	<hr/>	<hr/>

b) Returns on Investments and serving of Finance

	1999 £	1998 £
Interest received	-	-
Interest paid	(9,760)	(3,707)
	<hr/>	<hr/>
	(9,760)	(3,707)
	<hr/>	<hr/>

c) Capital expenditure

	1999 £	1998 £
Payments to acquire tangible fixed assets	(2,345)	(20,118)
Receipts from sales of tangible assets	-	-
Payments to acquire intangible assets	(62,502)	(497,235)
Receipts from sales of intangible assets	328,050	870,000
	<hr/>	<hr/>
	263,203	352,647
	<hr/>	<hr/>

d) Analysis of Changes in Net Debt

	At 1 June 1998 £	Cash Flows £	At 31 May 1999 £
Cash in hand	1252	17,226	18,478
Overdrafts	(11,228)	11,228	-
	<hr/>	<hr/>	<hr/>
Total	(9,976)	28,454	18,478
	<hr/>	<hr/>	<hr/>